

May 27, 2016

Dear Chairman Honigberg and Committee members,

As you may be aware, Dixville Capital, LLC is working to renovate and expand the Balsams Resort into a four-season, world-class destination resort. Over the last two and a half years, we have invested more than four million dollars on design, engineering, environmental and market studies, in addition to working with state and federal regulators to secure the major environmental permits needed to move forward. Currently we are working with the Coos County Planning Board to obtain final site plan approvals.

Our goal is to secure all necessary financing and outstanding permits within the coming months so we can begin work this construction season, creating hundreds of desperately needed jobs for the North Country, and be open again in autumn 2017. The \$143 million Balsams Resort Phase 1 is projected to create nearly 600 new jobs – with projections of creating up to 1,700 direct jobs in the years to come with future phases being realized. The total amount of annual revenues to the State is projected to range from \$3.1 million at Phase 1 to \$9.9 million at full capacity.

As a company that is heavily invested in creating economic prosperity as soon as possible for New Hampshire and its North Country, we urge the Committee to reconsider its decision to add nine months to its Northern Pass review schedule. The SEC review period was recently extended in 2015 from nine to twelve months to allow the Committee extra time to properly consider large projects like Northern Pass. Adding an additional nine months, especially in light of last year's procedural change to the review process for these instances, will hurt New Hampshire's business and residential ratepayers, who are already paying among the highest prices for electricity in the country, by delaying a potential source of new, low-cost energy. The delay will also have ramifications for the Balsams project.

The Balsams Resort will draw a large amount of power. In fact, purchasing power will be among our top operating costs, second behind payroll. We estimate Northern Pass' low-cost hydropower will help the Balsams save approximately \$200,000 per year over current prices. Delaying a decision another nine months could put these savings in jeopardy. As we make decisions about how and when to move forward with the Balsams, it's critical to understand our power costs moving forward. Pushing off a decision creates uncertainty, which is bad for any business, but especially a large development like ours.

Northern Pass would benefit the entire North Country as it has proposed an upgrade to a portion of the Coos Loop transmission infrastructure which is critical for existing power producers in the area to continue to transmit power generated in a sustained and reliable manner to the grid. This portion of electric infrastructure is critical to energy generators in the region, and currently this transmission line is limited and the ability to transmit power is restricted on many days. Very often, power generators like Burgess BioPower and Granite Reliable Wind face significant curtailment because of these on-going issues. Delaying a decision on Northern Pass will only exacerbate this problem.

A delay also sends a very chilling message to business and industry contemplating a move to New Hampshire, or an expansion of existing businesses. It tells them state regulators are willing to compromise their statutory requirements to appease vocal opponents who understand clearly that delaying a project increases their chances of killing it outright.

I urge the Committee to reduce its nine-month extension and complete its work on Northern Pass in the most expeditious manner possible. Please remember that your Committee exists to represent the interests of ALL New Hampshire stakeholders, including the large number of businesses, residents and organizations who support Northern Pass and are hoping to diversify our power supply by adding clean, low-cost hydropower sooner rather than later.

Respectfully,

Leslie B. Otten